

# CRS Report for Congress

---

## Received through the CRS Web

### Algeria: Current Issues

Carol Migdalovitz  
Specialist in Middle Eastern Affairs  
Foreign Affairs, Defense, and Trade Division

#### Summary

The situation in Algeria is generally good. President Abdelaziz Bouteflika was re-elected in 2004 after his supporters manipulated the political process in his favor, but without blatant fraud, suggesting modest progress toward democratization. Moreover, the military, the most significant political force since independence, has muffled its voice. Domestic terrorism has decreased after over a decade of civil conflict, yet Algerians continue to be implicated in terrorism abroad. The U.S. State Departments lists the two Algerian groups as Foreign Terrorist Organizations (FTOs). Terrorism provides a rationale for Algeria's uneven human rights record. Bouteflika has energized foreign policy and broadened cooperation with the United States. This report will be updated if warranted. See also, CRS Report RS20962, *Western Sahara: The United Nations Shifts Course*.

#### Government and Politics

Since a 1965 coup, the military, known as the *pouvoir* or the power, has been the most significant political force in Algeria. In 1992, it carried out another coup to prevent the Islamic Salvation Front (FIS) from coming to power. In recent years, however, the military's voice has been lowered. In 1999, former Foreign Minister Abdelaziz Bouteflika, a civilian with past ties to the military and military backing, won the presidential election after all other candidates withdrew charging election fraud. In April 2004, Bouteflika was re-elected with 83.5% of the vote in a multiparty contest during which the military was officially neutral. Chief of Staff Lt. Gen. Mohamed Lamari claimed "gone was the time when the military institutions, for considerations of stability and national cohesion, intervened in the political game."<sup>1</sup> This time, international observers did not support opposition charges of fraud and viewed the election as progress toward democratization.

---

<sup>1</sup> "Army Chief of Staff Says Military 'Never Neutral' in Face of Threat to Stability," *Le Matin*, January 15, 2004, BBC Monitoring Middle East.

<b>Report Documentation Page</b>			Form Approved OMB No. 0704-0188	
<p>Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p>				
1. REPORT DATE <b>16 FEB 2005</b>	2. REPORT TYPE <b>N/A</b>	3. DATES COVERED <b>-</b>		
4. TITLE AND SUBTITLE <b>Algeria: Current Issues</b>			5a. CONTRACT NUMBER	
			5b. GRANT NUMBER	
			5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)			5d. PROJECT NUMBER	
			5e. TASK NUMBER	
			5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Congressional Research Service The Library of Congress 101 Independence Ave SE Washington, DC 20540-7500</b>			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSOR/MONITOR'S ACRONYM(S)	
			11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release, distribution unlimited</b>				
13. SUPPLEMENTARY NOTES				
14. ABSTRACT				
15. SUBJECT TERMS				
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>SAR</b>	18. NUMBER OF PAGES <b>6</b>
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>		

In the pre-election period, however, the bureaucracy and judiciary had manipulated the political process to favor of Bouteflika.<sup>2</sup> The campaign primarily pitted Bouteflika against National Liberation Front (FLN) leader and former Prime Minister Ali Benflis, although there were four other candidates. Benflis attacked the President's autocratic style and lack of regard for democracy. Some analysts suggest that Benflis did not present a clear, alternative vision, and it is not certain that he would have defeated Bouteflika even without the manipulation.<sup>3</sup> Bouteflika's victory was seen as an accurate reflection of the popular will and an endorsement of his effort to decrease violence and for continued political stability.<sup>4</sup>

The President heads the Council of Ministers (cabinet) and the High Security Council, and appoints the Prime Minister who names the cabinet. Algeria also has a bicameral legislature. In the September 2002 parliamentary elections, the FLN won 199 out of 389 seats in the National People's Assembly, the directly elected lower house. In December 2003, after Bouteflika's supporters enfeebled the FLN, the Rassemblement National Democratique (RND/Democratic National Rally) party of Prime Minister Ahmed Ouyahia won 17 out of 46 elected seats in the Council of the Nation, upper house, to 11 for the FLN and 10 for the FLN "corrective movement;" two other parties also won seats. An FLN realignment is expected before the 2007 parliamentary elections.

## Terrorism

About 150,000 lives have been lost to terrorism and related violence in Algeria since 1992, but casualties have declined sharply in recent years. The Armed Islamic Group (GIA) and its more active offshoot, the Salafist Group for Preaching and Combat (GSPC), which seek an Islamist regime, are the main terrorist groups. Both are on the U.S. State Department's list of Foreign Terrorist Organizations. In the 1990s, GSPC had split from the GIA, claiming to disagree with GIA targeting of civilians and preferring to attack the armed forces, the regime, and foreign companies which sustain it. GIA now has fewer than 100 members and no leader since one was arrested in January 2005 and his successor was killed 15 days later. GSPC has eclipsed the GIA. In 2003, Nabil Sahraoui had become GSPC leader and reportedly expanded its contacts with Al Qaeda. In September 2003, GSPC declared its allegiance to Al Qaeda; it is not known what that declaration means in practice. Algerian forces killed Sahraoui in June 2004; however, the group is

<sup>2</sup> In 2003, the National Liberation Front (FLN), the strongest party and only political party in Algeria from independence in 1962 until 1989, refused to consider Bouteflika's candidacy for re-election and prepared to endorse that of its leader, Prime Minister Ali Benflis. The President sacked Benflis and Bouteflika loyalists formed the "FLN corrective movement" to weaken the party. After a special FLN congress endorsed Benflis's candidacy, corrective movement adherents successfully petitioned a court to overturn the decision and to freeze the party's activities and funds. This forced Benflis to run as an independent without FLN resources. In addition, the Constitutional Court, headed by a friend of Bouteflika's, disqualified two potentially popular candidates from running. Opposition access to state television was restricted, while coverage of the President was ample, and some opposition newspapers were suppressed.

<sup>3</sup> Robert P. Parks, "An Unexpected Mandate? The April 8, 2004 Algerian Presidential Elections," *Middle East Journal*, Vol. 59, No. 1, Winter 2005.

<sup>4</sup> Marwane Ben Yahmed, "Les Raisons D'Un Plebiscite," *Jeune Afrique Intelligent*, No. 2258, 18-14 April 2004.

still capable of action. In July 2004, it bombed a power plant and threatened other attacks and in September, named a new leader. The group now mainly operates in remote areas and across southern borders into the Sahel.

*Jane's Defense Weekly* reported that 2,800 Algerians may have trained in Al Qaeda camps in Afghanistan.<sup>5</sup> Algeria is viewed as a source of international terrorists and many Algerians have been arrested in counterterrorism operations in Europe and the United States.<sup>6</sup> In December 1999, Ahmed Ressam, an Algerian who trained in Afghanistan, was arrested after attempting to enter the United States from Canada; he was later convicted for the so-called Millennium Plot to carry out bomb attacks in Los Angeles. His associates and other Algerians in Canada were linked to the GIA and Al Qaeda.<sup>7</sup> Perhaps most infamously, six Algerians were arrested in January 2003 in a London apartment where traces of ricin, a deadly poison with no known antidote, were found. The State Department says that GSPC adherents “appear to have largely co-opted the external networks of the GIA, active throughout Europe, Africa, and the Middle East.”<sup>8</sup> Spain, France, and Italy all have broken up GSPC cells.

Bouteflika proposed an amnesty for those who fought the government in the 1990’s and a national referendum approved it in September 2000. Called the “Civil Concord,” the policy appears to have diminished, but not eliminated, domestic terrorism. It mainly benefitted the armed wing of the FIS, the Islamic Salvation Army (AIS), and not the GIA or the GSPC.

## Human Rights

Under Bouteflika, Algeria’s human rights record has been mixed, worsening in some areas and improving in others. A state of emergency declared in 1992 remains in effect due to what the authorities call persistent terrorism, and it is used to justify abuse. There have been fewer reports of security force abuses, but excessive use of force continues. The incidence of torture has declined, but has not ended. Arbitrary arrests, incommunicado detention, prolonged pre-trial detention also continue. Problems taint the judicial process. The government imposed new restrictions on the press, including the arrests of journalists and the closure of newspapers. It also refused to reaccredit several European journalists and Arab television networks. Violence against women, limits on women’s civil rights, discrimination against women, and child abuse are common.<sup>9</sup> There

<sup>5</sup> Cited in “Algeria: Terrorist Breeding Ground,” *Africa Research Bulletin*, January 1-31, 2003, pp. 15154-15155, and other sources. Terrorism experts disagree about the total number of terrorists trained in Afghanistan. If 60,000 were trained, then the Jane’s figure of 2,800 Algerians may be reasonable. If only 10,000 were trained, then the 2,800 estimate may be far too high.

<sup>6</sup> “Algerian Militants the Main Terror Threat to Britain,” *Scotsman*, January 16, 2003, and “In Europe, Terror Trail leads to Algeria,” *Christian Science Monitor*, January 28, 2003.

<sup>7</sup> “‘Sleeper Cell’ Contacts are Revealed in Canada,” *Washington Post*, December 25, 2002.

<sup>8</sup> U.S. Department of State, *Patterns of Global Terrorism*, 2003, accessible via [<http://www.state.gov>].

<sup>9</sup> U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, *Country Reports on Human Rights Practices - 2003, Algeria*, February 25, 2004, accessible via [<http://www.state.gov>].

has been no accounting for thousands who had disappeared during the 1992-2000 civil conflict.

Berbers, who identify with the indigenous inhabitants of the country before the 7<sup>th</sup> century Arab Muslim invasions, seek language and other cultural rights and an end to government discrimination and neglect. In April 2001 (“black spring”), the death of a Berber youth in custody sparked riots in which security forces killed 126 people. The government has since agreed to compensate the victims and recognized the Berber language, Tamazight, as a national, but not as an official language, as Berber activists want. Prime Minister Ouyahia has engaged in a dialogue with coordinating committees of Berber villages and tribes known as the *Arouch*. In January 2005, the government agreed to rehabilitate protesters and remove gendarmerie and police from Berber areas, and established a joint committee to follow up, but it insists that a national referendum be held on granting official status to Tamazight. Berber activists, perhaps aware that they represent a minority and would lose a vote, rejected the last proviso.

## Economy

Algeria has the fifth largest natural gas reserves and is the second largest gas exporter in the world. Hydrocarbons are the engine of the economy, providing about 60% of the budget revenues, 30% of gross domestic product (GDP), and 95% of export earnings.<sup>10</sup> High oil prices have boosted foreign monetary reserves and economic growth, and enabled a decline in the unemployment rate and early repayment of some foreign debt. The government plans to raise crude oil output from 1.5 million to 2 million barrels per day by 2010.

Despite this considerable oil and gas income, there are chronic socioeconomic problems in Algeria: high unemployment and underemployment; inadequate housing, health services, and education; decaying infrastructure; great inequality of income distribution; and government corruption.<sup>11</sup>

The government has undertaken economic reforms, but they have not diminished central control of the economy greatly nor benefitted most Algerians. The International Monetary Fund (IMF) has urged the government to pursue policies to increase growth and create jobs, such as privatization of state-owned companies and trade liberalization. However, a government

### Basic Facts

<b>Population:</b>	32.1 million (July 2004, est.)
<b>GDP growth rate:</b>	7.4% (2003)
<b>Inflation rate:</b>	3.5% (2003)
<b>Unemployment:</b>	26.2% (2003)
<b>Exports:</b>	petroleum, gas, petroleum products
<b>Export Partners:</b>	Italy, United States, France, Spain, Canada
<b>Imports:</b>	capital goods, food, consumer goods
<b>Import Partners:</b>	France, Italy, Spain, Germany

*Source: CIA, World Factbook, 2004.*

<sup>10</sup> U.S. Department of State, Bureau of Near Eastern Affairs, *Background Note: Algeria*, December 2004, accessible via [<http://www.state.gov>].

<sup>11</sup> Algeria ranks 97 out of 145 on Transparency International’s 2004 *Corruption Perceptions Index*.

privatization plan announced in late 2004 excludes the large hydrocarbon, rail, and communications sectors. Forces committed to a strong state role in the economy, notably the FLN, the General Union of Algerian Workers (UGTA), and, reportedly, factions in the military strongly oppose even modest privatization. Algeria has not yet been able to join the World Trade Organization.

## Foreign Affairs

After independence in 1962, Algeria was in the forefront of Third World politics, especially the Non-Aligned Movement, and very active in the Arab world and Africa. It was considerably less active in the 1990's, when it was preoccupied by domestic violence. Since Bouteflika became President, Algeria has reemerged as a regional actor. He worked with other African leaders to transform the Organization for African Unity into the African Union. He wants to revive the Arab Maghreb Union (UMA), a loose organization of Algeria, Libya, Tunisia, Morocco, and Mauritania, but has been stymied by bilateral Algerian-Moroccan disputes. He also seeks to reform the Arab League so that the post of secretary general would be rotated and not always held by an Egyptian.

Algeria's relations with neighboring Morocco have been strained because of the Western Sahara issue. Since 1976, Algeria has supported and hosted the Popular Front for the Liberation of Saqiat al-Hamra and Rio de Oro (POLISARIO), which seeks the independence of the former Spanish Sahara colony known as the Western Sahara. Algeria views the problem as one of "decolonization." Morocco claims the territory and occupies about 80% of it. The U.N. mediated a cease-fire between the Polisario and Morocco in 1991 and formed the United Nations Mission for the Organization of a Referendum in the Western Sahara (MINURSO) to enable the Sahraoui people to choose either integration with Morocco or independence. Morocco and the Polisario competed to influence the selection of the electorate in order to predetermine the outcome of the referendum and reached an impasse. Former U.S. Secretary of State James Baker, as a personal envoy of the U.N. Secretary General, could not overcome the stalemate and resigned in 2004. The Secretary General reports continuing lack of agreement between the parties on how to overcome the deadlock, and offers no new ideas.<sup>12</sup> Algiers would like to separate the Western Sahara issue from its bilateral relations with Rabat. Relations have warmed with ministerial visits, a meeting of leaders at the U.N. in September 2003, and cooperation to counter terrorism and on other issues. King Mohammed VI of Morocco reportedly will visit Algiers for the first time for an Arab League meeting in March 2005.

France is Algeria's former colonizer and major trading partner. More than 2 million Algerians live in France and many more want visas. France has drastically reduced the number of visas out of fear of terrorism and absorption difficulties. With France's support, Algeria signed an association agreement with the European Union (EU) in December 2001, and has participated in the Europe-Mediterranean Partnership (MEDA) since 1995. Under Bouteflika, French-Algerian relations have warmed considerably. In March 2003, French President Jacques Chirac made a landmark, three-day reconciliation visit to Algeria. He visited again just one week after Bouteflika's April 2004 re-election. In July 2004, a French Defense Minister visited Algeria for the first

---

<sup>12</sup> U.N. Security Council, *Report of the Secretary-General on the Situation Concerning the Western Sahara*, S/2005/49, January 27, 2005, accessible via [<http://www.un.org>].

time since independence to sign a defense cooperation accord. That same month, France agreed to swap U.S.\$365 million of Algeria's debt for investments in Algerian industries.

## **Relations with the United States**

U.S.-Algerian relations are good in many areas and have been energized by Bouteflika. He became the first Algerian president to visit the White House in July 2001, and visited again in November 2001, in the aftermath of the September 11<sup>th</sup> terrorist attacks, which he condemned. Bouteflika and President Bush also met at the U.N. in September 2003. President Bush invited Bouteflika to attend the June 2004 G-8 summit in Georgia at which the Broader Middle East and North Africa Initiative to promote democracy and political reform was officially introduced.

U.S. policy has tried to balance appreciation for Algeria's cooperation in the war on terrorism with encouragement for democratization. U.S. officials have urged Algiers to lift the state of emergency, and Assistant Secretary of State for Near Eastern Affairs William Burns said that the April 2004 presidential election was "an important phase in the genuine democratic process." Algerian authorities have shared information regarding terrorists of Algerian origin with the U.S. and European governments. Algeria receives limited assistance from the Middle East Partnership Initiative (MEPI). U.S. bilateral aid to Algeria is in International Military Education and Training (IMET) funds to help with technical assistance, equipment, and military training to combat terrorism. Algeria received \$850,000 in FY2005, and the Administration has requested \$750,000 for FY2006. U.S. European Command (EUCOM) has taken the lead in encouraging North African and Sahelian governments to cooperate more closely to fight terrorism. *Africa Confidential* reported that U.S. Special Forces were operating in southern Algeria and the Sahel to train, equip, and aid national forces in fighting the GSPC and Al Qaeda.<sup>13</sup> U.S. intelligence also was shared with local forces.<sup>14</sup> U.S. and Algerian naval forces conduct joint exercises. Algeria participates in the NATO-Mediterranean dialogue and in NATO naval exercises, and has expressed interest in participating in NATO's Operation Active Endeavor, patrolling the Mediterranean to detect and deter terrorist activity.

U.S.-Algerian economic ties are broadening from the energy sector, where most of the \$4.1 billion U.S. investment has been made, to banking and finance, services, pharmaceuticals, and other industries. In March 2004, President Bush declared Algeria eligible for duty-free treatment under the Generalized System of Preferences (GSP). Algeria is not a member of the World Trade Organization (WTO).

Despite improving bilateral ties, Washington and Algiers strongly disagree about several major U.S. policies. President Bouteflika condemned the use of force against Iraq, but later supported the U.N.-supervised election there in order to put an end to the foreign occupation. He also criticized U.S. charges against Syria for supporting terrorists, developing weapons of mass destruction, and giving refuge to former Iraqi officials.

<sup>13</sup> "Desert Shadows," *Africa Confidential*, Vol. 45, No. 4, February 10, 2004, p. 8.

<sup>14</sup> Brian Whitmore, "US Pushes Antiterror Alliance for North African Nations," *Boston Globe*, April 11, 2004.